Banking Lobby Invades the Senate

By Jack Anderson

The agenda used by a Senate Banking subcommittee for killing measures, intended to protect housewives from billing abuses, was prepared and typed in the thick-carpeted suite of the American Bankers Association.

This intrusion of the banking lobby in the committee rooms of the Senate is brazen even by Washington standards. Yet so powerful are the bankers that the gutting of the bill is likely to stick.

The agenda was prepared by James Cash, a former Senate Banking Committee aide, who is now the bankers' most deft lobbyist on Capitol Hill.

To make sure the banks were protected instead of the customers, the bankers put the agenda into the hands of one of their best friends in the Senate, capable Bill Brock, (R-Tenn.), son of a bank director.

Without informing his fellow senators that the document was the work of the banking lobby, Brock requested it be adopted as the agenda for a secret meeting of the subcommittee. Unaware of its origins, Chairman William Proxmire, (D-Wis.), agreed.

As one bank lobby recommendation after another passed, it was evident to the handful of pro-consumer senators how thoroughly Brock and Cash had done their work.

In the secrecy of the committee room, for example, Brock and his allies knocked out a provision which would have allowed housewives to refuse to pay for shoddy merchandise. Voting against the housewives were Senators Wallace Bennett, (R-Utah); John Tower, (R-Tex.); Alan Cranston, (D-Calif.); and Bob Packwood (R-Ore.) The deciding vote was the proxy of one-time populist John Sparkman (D-Ala.), chairman of the parent Senate Banking Committee.

Consumer Sabotage

Knowing they were outside the hearing of the irate consumers, the Brock wrecking crew also permitted backdating of financing charges, which cost customers $200 million in 1971. They voted against a provision to block sky-high 60 per cent financing rates, also against another clause to prevent billing for undelivered merchandise.

Vainly backing the consumer in the closed session were Senators Proxmire, Harrison Williams (D-N.J.), Tom McIntyre (D-N.H.); and Walter Mondale (D-Minn.).

When the tallies were all in, the banks had rammed through, wholly or in part, 15 of their 20 amendments. One weary senator muttered as he left the committee room: "We began with the Fair Credit Billing Act. We wound up with the Bank Protection Act of 1972."

My associate, Les Whitten, visited Cash in his surprisingly modest quarters tucked amid the splendor of the hushed banking lobby suite. At first Cash denied that the agenda was typed in his office.

But Whitten showed him samples we had obtained from his office typewriters which have distinctive characteristics. Confronted with the evidence, Cash acknowledged the work had been done by him and his aides.

Proxmire, meanwhile, was so upset that he has refused to put his name on the report, even though the original bill is his. He has promised a floor fight on the measure.

Footnote: Through a spokesman, Brock told us he was unaware the agenda was prepared by the banking lobby. A spokesman for the American Bankers Association insisted that it was only a "table of comparisons." If Brock used it as a formal agenda, he did it without the bankers' knowledge, said the spokesman.

ITT's Eavesdropping

Firms that rent telex circuits from ITT may not know it, but ITT has been sneaking peeks at their cable messages.

ITT memos, which escaped the corporate shredder, show that ITT has been secretly monitoring messages from such institutions as these:

Irving Trust, the First National City Bank of New York, the Bank of Tokyo, Beaunit Mills, Philippine National Bank, Central Gulf Steamship Lines, Koboyashi Metals, Babcock Wilcox, Transmundo, Kersten Shipping and Long Quinn & Boylan.

One ITT memo titled "Private Wire Monitors" says mournfully: "Since the beginning of this effort, very little feedback has been received regarding its effectiveness."

Another memo on ITT letterhead requests headquarters to "please advise if we are to continue monitoring program."

In Washington, a worried ITT spokesman said the monitoring was only to insure that telex toll charges were correct. This time, it appears ITT may be telling the truth.

Our own probe shows that customers had complained that ITT was overcharging them. Apparently, ITT wanted to check for themselves. As it turned out, 90 per cent of the customers' gripes were justified.

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